

Service Date: January 6, 1984

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

\* \* \* \* \*

IN THE MATTER of the Application of	)	UTILITY DIVISION
The MOUNTAIN STATES TELEPHONE	)	
AND TELEGRAPH COMPANY (Mountain	)	
Bell) For Authority to Increase Rates	)	DOCKET NO. 83.3.18
and for Approval of Tariff Changes for	)	
Telecommunications Service.	)	ORDER NO. 4991b

\* \* \* \* \*

ERRATA SHEET

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Findings No. 62, 63, and 64 of pages 26 and 27 should be corrected to read as follows:

PART D

REVENUE REQUIREMENT

62. The Commission finds the Company's test year adjusted net operating income to be \$20,367,000 as follows:

MOUNTAIN BELL  
MONTANA INTRASTATE  
TWELVE MONTHS ENDING DECEMBER 31, 1983  
(000)

	Adjusted Per <u>Company</u>	<u>Adjustments</u>	Accepted By The <u>Commission</u>
1. Local Service Revenue	\$ 80,421	\$ -0-	\$ 80,421
2. Toll Service Revenues	52,678	-0-	52,678
3. Miscellaneous Revenues	10,516	(18)	10,498
4. Less: Uncollectibles	<u>(813)</u>	<u>112</u>	<u>(701)</u>
5. Total Operating Revenues	\$ 142,802	\$ 94	\$142,896
6. Maintenance	29,071	(80)	28,991
7. Depreciation	18,205	-0-	18,205
8. Traffic	9,991	(29)	9,962
9. Commercial	20,530	(128)	20,402
10. Revenue Accounting	2,772	(9)	2,763
11. Other General	7,848	(777)	7,071
12. Operating Rents	4,587	-0-	4,587
13. Relief and Pensions	9,901	(71)	9,830
14. General Services and Licenses	<u>2,417</u>	<u>(988)</u>	<u>1,429</u>
15. Total Operating Expenses	\$105,322	\$ (2,082)	\$103,240
16. Federal Income Tax	5,231	22	5,253
17. State Income Tax	298	4	302
18. Social Security Tax	3,678	(14)	3,664
19. Other Taxes	<u>10,070</u>	<u>-0-</u>	<u>10,070</u>
20. Total Operating Taxes	19,277	12	19,289
21. Net Operating Income	<u>\$ 18,203</u>	<u>\$2,164</u>	<u>\$ 20,367</u>
22. Average Rate Base	<u>\$ 203,448</u>	<u>\$(990)</u>	<u>\$202,458</u>
23. Rate of Return	8.94%		10.06%

63. The Commission finds that the Company is entitled to additional annual revenues of \$4,799,000 as follows:

MOUNTAIN BELL MONTANA INTRASTATE REVENUE DEFICIENCY AT PRESENT RATES TWELVE MONTHS ENDING DECEMBER 31, 1983 (000)		
1.	Average Rate Base	\$202,458
2.	Rate of Return - Finding No. 27	<u>11.23%</u>
3.	Required Return	22,736
4.	Adjusted NOI - Finding No. 62	<u>20,367</u>
5.	NOI Deficiency	2,369
6.	Income to Revenue Multiplier	<u>2.05258</u>
7.	Revenue Deficiency	<u>\$ 4,799</u>

In its application the Company made provision for increased independent company toll settlements. The Commission recognizes that because of rate increases granted by this order, Mountain Bell will incur additional expenses in its toll settlement procedures with independent telephone companies. The Commission finds that the Company is entitled to revenues to offset toll settlements expenses. It is expected that the additional revenues needed shall be approximately \$705,000 annually. Thus, Mountain Bell's revenue deficiency including toll settlements is \$5,504,000.

64. Mountain Bell has been granted interim revenues in this proceeding of \$6,118,593. Therefore, the final revenue requirement in this case represents a decrease of \$614,593.

Order Paragraph No, 1 should be corrected to read:

1. For purposes of final relief in this docket, Mountain States Telephone and Telegraph Company is granted increased revenues in the amount of \$5,504,000. This represents a \$614,593 reduction in revenues from the level authorized in Interim Rate Order Nos. 4991 and 4991a in this docket.

BY THE MONTANA PUBLIC SERVICE COMMISSION

THOMAS J. SCHNEIDER, Chairman

JOHN B. DRISCOLL, Commissioner

HOWARD L. ELLIS, Commissioner

CLYDE JARVIS, Commissioner

DANNY OBERG, Commissioner